

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Annual Premium Age Update Review - Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance	REFERENCE NUMBER: 2010-031
DATE ISSUED: 12/02/10	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: Department of Personnel Administration
Benefits Division

CONTACT: Susan Wong, Benefits Program Analyst
(916) 324-0533
Fax: (916) 324-3213
Email: susanwong@dpa.ca.gov

Effective January 1, 2011, premium changes take effect for certain employees enrolled in the Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance (LTD) Programs for excluded employees. These changes are based on the employee's age, salary, and/or policy amount.

Basic Group Term Life and Supplemental Life Insurance

The Basic Group Term Life Insurance policy for enrolled active excluded employees requires that when they reach age 70, their employer-paid life insurance premium and benefit will be reduced by 50 percent on January 1 of the following year. Therefore, effective January 1, 2011 (December 2010 pay period), premiums for these employees will be reduced by 50 percent. Benefits will be reduced as follows: Managerial employees - from \$50,000 to \$25,000; Confidential and Supervisory employees - from \$25,000 to \$12,500.

Supplemental Life Insurance plan premiums are based on age and the amount of insurance purchased. In December, the Metropolitan Life Insurance Company (MetLife) conducts an annual age audit to determine if a premium increase is necessary and notifies affected employees of any premium increases. These increases are effective January 1, 2011 (December 2010 pay period).

Questions regarding these increases should be directed to MetLife at 1-800-252-8524.

Long Term Disability Annual Age Review

The formula for calculating premiums for employees enrolled in the Long Term Disability (LTD) program is based on the employee's base salary, age, and retirement category (e.g., Miscellaneous or Safety). On January 1, the State Controller's Office audits enrollees' payroll history files to identify employees who had salary/age changes during the year (2010) that affect their premiums. Premiums for employees who moved to the next higher premium age group (e.g., from age 39 to 40, 49 to 50, etc.) will increase effective January 1, 2011 (December 2010 pay period).

If you have questions, please contact Susan Wong at (916) 324-0533.

/s/Greg Beatty

Greg Beatty, Chief
Benefits Division